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Assistance to the Palestinian people

Report of the Secretary-General

I. Introduction

1. On 7 December 1998, the General Assembly adopted resolution 53/89 on assistance to the Palestinian people, in which it, *inter alia*, stressed the importance of the work done by the United Nations Special Coordinator in the Occupied Territories and of the steps taken under the auspices of the Secretary-General to ensure the achievement of a coordinated mechanism for United Nations activities throughout the occupied territories; urged Member States, international financial institutions of the United Nations system, intergovernmental and non-governmental organizations and regional and interregional organizations to extend, as rapidly and as generously as possible, economic and social assistance to the Palestinian people in close cooperation with the Palestine Liberation Organization and through official Palestinian institutions; called upon relevant organizations and agencies of the United Nations system to intensify their assistance in response to the urgent needs of the Palestinian people in accordance with the Palestinian priorities set forth by the Palestinian Authority, with emphasis on national execution and capacity-building; called upon the international donor community to expedite the delivery of pledged assistance to the Palestinian people to meet their urgent needs; suggested the convening in 1999 of a United Nations-sponsored seminar on the Palestinian economy; and requested that the Secretary-General submit a report to the General Assembly at its fifty-third session, through the Economic and Social Council, on the implementation of the resolution, containing: (a) an assessment of the assistance actually received by the Palestinian people; and (b) an assessment of the needs still unmet and specific proposals for responding effectively to them.

2. In his previous report on assistance to the Palestinian people (A/53/153–E/1998/75), the Secretary-General provided an overview of the period from June 1997 until May 1998. The present report covers the period from June 1998 through May 1999. In addition, in response to Economic and Social Council resolution 1998/32, paragraph 8 in which, *inter alia,* the Council called upon the Secretary-General to "continue to include, in the report of the United Nations Special Coordinator in the Occupied Territories, an

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update on the living conditions of the Palestinian people, in collaboration with relevant United Nations agencies", chapter IV below on living conditions in the occupied Palestinian territory has been included.

3. Throughout the period under review, the Special Coordinator in the Occupied Territories, Chinmaya R. Gharekhan, maintained his efforts to fulfil the mandates of his office, and focused on continuing preoccupations relating to facilitating the socio-economic development of the occupied Palestinian territory, including:

(a) Ensuring better coordination between the relevant institutions of the Palestinian Authority and United Nations agencies as well as the donor community;

(b) Strengthening the rule of law and other institution-building programmes, through better-targeted technical assistance, including to the Palestinian Police Forces, in order that greater progress could be made towards achieving sustainable development;

(c) Monitoring and documenting economic and social conditions in the occupied Palestinian territory and providing periodic analyses on these aspects and special reports on specific issues relevant to the development effort, such as the prospects for growth in the private sector and the constraints thereon;

(d) Providing logistic and other assistance to the Palestinian Authority pertaining to the preparation of the Palestinian Development Plan, 1999–2003;

(e) Encouraging expeditious donor disbursements to facilitate the implementation of the Palestinian Development Plan, 1999–2003.

II. Background

4. Since its inception in 1994, the Office of the Special Coordinator, has been among those parties that have been instrumental in establishing the donor coordination mechanisms described below, which have brought together the Palestinian Authority, the United Nations, the World Bank and the donor community. The unique position of the United Nations within these coordination mechanisms has enabled the Organization to play an influential role in the development process in the territories. The United Nations presence in the occupied Palestinian territory has increased from three organizations in 1993 to 13 in 1999. An additional 16 organizations of the United Nations system are providing the Palestinian Authority with technical assistance and expertise.

5. On 30 November 1998, the Conference to Support Middle East Peace and Development, held in Washington, D.C., provided a forum for the international community, including the United Nations, to reaffirm political commitment to the Middle East peace process and to continue the economic assistance required to give it momentum. Conference participants announced pledges totalling $3.36 billion to be disbursed over a two- to five-year period.

III. Work of local and international coordination mechanisms

6. At the suggestion of the United Nations representative, the main donor-led body overseeing the assistance effort, the Ad Hoc Liaison Committee decided in November 1994, to devolve certain aspects of the donor coordination process to the level of representatives in the occupied Palestinian territory. For that purpose, the Ad Hoc Liaison Committee established a Local Aid Coordination Committee, to be composed of the Palestinian Authority and all donors to the occupied Palestinian territory, including Israel. The co-chairs of the Local Aid Coordination Committee are Norway, in its capacity as Chair of the Ad Hoc Liaison Committee, the Office of the Special Coordinator and the World Bank. The latter two also act as a joint secretariat to the Local Aid Coordination Committee. Meetings of the Local Aid Coordination Committee provide a forum for donors to report on their activities and for the Palestinian Authority to provide updates on relevant issues.

7. In December 1994, the Local Aid Coordination Committee had established 12 sectoral subcommittees, known as sector working groups, to focus donor assistance to the Palestinian people and to facilitate communication and coordination between the Palestinian Authority and donor countries. Each sector working group is composed of the gavel-holder, normally a Palestinian ministry; the shepherd, a donor interested in that particular sector; and the United Nations or the World Bank as secretariat. As part of the effort to increase the efficiency of the sector working groups, a series of evaluative workshops took place in 1997 and 1998 with a view to creating a more focused coordination structure that would correspond better to the planning process evolving within the Palestinian Authority, which was closely involved with this exercise. The outcome of this process has been the establishment of four main sector working groups devoted to infrastructure, the productive sector, the social sector and institution-building, which correspond to the core sectors of the Palestinian

Development Plan. There are currently 14 sub-groups subsumed under these four groups. The changes that brought the current structure into being were approved by the Ad Hoc Liaison Committee in February 1999.

8. In April 1995, the Ad Hoc Liaison Committee established the Joint Liaison Committee, which provides a forum in which economic policy and practical matters related to donor assistance are discussed with the Palestinian Authority. The Joint Liaison Committee comprises the Palestinian Authority as gavel-holder; Norway, in its capacity as Chair of the Ad Hoc Liaison Committee, as Shepherd; the United Nations and the World Bank as joint Secretariat; the United States of America and the European Union. Japan was also invited to take part in the meetings. The Joint Liaison Committee discusses bilateral issues relating to donor assistance with the participation of representatives of the Government of Israel, who are invited to attend all meetings. The Joint Liaison Committee first met on 15 May 1995 and meets approximately five times per year.

9. As part of his efforts to improve United Nations coordination and to facilitate the process of creating complementarity between United Nations activities and the needs and priorities identified by the Palestinian Authority, the Special Coordinator convened the fifth United Nations inter-agency meeting in Gaza, on 7 and 8 October 1998. Representatives of approximately 20 agencies met with their counterparts in the Palestinian Authority and assessed the role and contribution of United Nations agencies to the Palestinian development effort and, in particular, the future direction of this cooperation in the context of the Palestinian Development Plan. During the discussions, the positive features and the challenges encountered were analysed, and issues of relevance to future cooperation were identified. As in previous years, the meeting provided a forum for finalizing the document entitled "The United Nations and the Palestinian Development Plan", which surveys some salient features of this relationship.

10. The Special Coordinator also led the United Nations delegation, comprising representatives of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), The International Labour Organization (ILO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO), to the sixth meeting of the Consultative Group for the West Bank and Gaza, convened by the World Bank in Paris on 4 and 5 February 1999. The Consultative Group meeting was also the occasion for the Palestinian Authority to present its second rolling plan, extended to cover a five-year period, the Palestinian Development Plan, 1999–2003, to the international donor community. The Palestinian Development Plan represents the Palestinian Authority's commitment to developing national capacity in medium-term development planning and in the implementation of development projects. The Palestinian Development Plan presented included over 170 projects with which the United Nations is associated that have a total value of about $286 million. Both in numerical and value terms, this was an enhancement over the previous Palestinian Development Plan, underscoring the deepening commitment of the United Nations system to the socio-economic development of the occupied Palestinian territory.

IV. Living conditions in the occupied Palestinian territory

11. The Palestinian Ministry of Finance and the International Monetary Fund (IMF) have estimated real gross domestic product (GDP) and gross national product (GNP) growth rates of 3.0 and 5.5 per cent respectively for 1998. Such growth would be sufficient for a marginal rise in annual per capita income levels in the occupied Palestinian territory for the first time since the beginning of the interim period in 1994. Improved macroeconomic conditions in 1998 were due to fewer comprehensive closures imposed on the occupied Palestinian territory. Such closures affected 5.2 per cent of working days in 1998, compared with 20.5 per cent of such days in 1997. This resulted in a 16.9 per cent increase in the number of Palestinian workers employed in Israel in 1998 and generally improved trade flows, as the nominal value of registered trade between Israel and the occupied Palestinian territory rose by 9.3 per cent.

12. There was moderate growth in private investment. Construction licensing activity grew by 4.6 per cent in 1998, a slower pace than in 1997, when licensing grew by over 13 per cent. Overall, new company registrations climbed by 12.6 per cent, with declines in the West Bank offset by increases in Gaza.

13. The value of approved investment projects under the Law for the Encouragement of Investment declined by 18.1 per cent to $161 million in 1998, with declines in the West Bank offset by gains in Gaza. In nominal terms, bank credit extended to private business grew by 9.3 per cent to $467.3 million. This represents a sharp deceleration in the growth of bank credit, which had risen by more than 40 per cent in 1997. While there was modest progress in 1998, private

investment remains constrained by the general system of closures imposed on the occupied Palestinian territory.

14. While donor disbursements declined by 27.4 per cent in 1998 to a reported level of $399.8 million, total public investment spending rose by an estimated 11 per cent to $215 million. Public investment absorbed a higher share of total disbursements in 1998, in part because the Palestinian Authority achieved a balanced recurrent budget for the first time.

15. Despite a small decline in the labour force participation rate, the labour force increased by an estimated 5.9 per cent to about 585,000 persons in 1998 and the number of fully employed persons increased by 18.9 per cent to 456,240. The standard unemployment rate fell from 20.9 per cent in 1997 to 15.6 per cent in 1998, the lowest rate recorded since 1995. In absolute terms, the number of unemployed persons decreased by about 21.5 per cent to about 91,000 persons. Average core unemployment rates in 1998 were 12.3 per cent in the West Bank and 23.5 per cent in the Gaza Strip. Broader measures of unemployment, which include discouraged workers, averaged 25.1 per cent in 1998, compared with 30.3 per cent in 1997. The broader unemployment rates in 1998 were 23.2 and 31.4 per cent in the West Bank and Gaza Strip respectively.

16. There were an estimated 58,450 new jobs for Palestinian workers in 1998, a 13.4 per cent increase over 1997, with employment growth in every economic branch. Of these, 56 per cent were located in Israeli-controlled areas and 44 per cent of total employment growth located in the occupied Palestinian territory. The private sector accounted for 64 per cent of the total number of new jobs in 1998 located in the occupied Palestinian territory, as compared with 51.2 per cent in 1997.

17. Despite generally rising employment opportunities, women's labour force participation fell to 11.7 per cent of working-age women, as compared with 12.3 per cent in 1997. While their participation rate declined, working women experienced higher full-employment and lower underemployment rates in 1998, suggesting a tendency for women to leave the formal labour market if full-time work is unavailable. This may be due to both structural and cultural constraints on women's employment. Reflecting the general trend, the women's unemployment rate declined to 16.9 per cent in 1998, while remaining above that for men, which fell to 15.5 per cent. This reversed the trend witnessed in 1996, when numerous and severe border closures drove men's unemployment rates to historically high levels.

18. In 1998, the average employed Palestinian worked 1.3 per cent more days per month relative to 1997. More job opportunities and fewer closure days led to an increase in real daily and monthly wages. The average real daily wage rate for a fully employed worker increased by about 8.5 per cent to 59.5 new shekels (NIS) (approximately $15.6), while the monthly wage increased by about 10.1 per cent to NIS 1,347 (approximately $353.5).

19. Despite the relative economic recovery, there was a persistent decline in average real household expenditures. Expenditures for the average Palestinian household fell from a monthly average of NIS 2,634 in 1997 to NIS 2,579 in 1998 (approximately $677) — a decline of 2.1 per cent in inflation-adjusted terms. Evidence suggests that the decline in household expenditures may be due to the repayment of loans (which are excluded from the expenditure surveys) and greater savings. This indicates that households were paying back accumulated debt and curtailing expenditures, perhaps as a result of uncertainty about the future.

20. Consumer prices in 1998, after several years of deceleration, reversed course in 1998. Under the impact of the sharp depreciation of the new shekel/United States dollar exchange rate in autumn 1998, the rate of inflation in the consumer price index (CPI) in the occupied Palestinian territory rose to 9.7 per cent for the year, as compared with 6.1 per cent in 1997. Food prices increased by about five percentage points faster than the general price level, placing an added burden on household budgets. Food purchases accounted for 40.1 per cent of total expenditures in 1998 as compared with 38.7 per cent in 1997.

V. Assistance to the Palestinian people: ongoing programmes, unmet needs and proposals for additional assistance

21. After consultations with the programmes and agencies of the United Nations system active in the area (a list of which appears in the annex to the present report), the Special Coordinator prepared the following update on assistance received by the Palestinian people in the occupied territories from United Nations agencies and programmes during the reporting period from June 1997 to May 1998, together with an analysis of needs still unmet and specific proposals for responding effectively to them.

Department of Economic and Social Affairs

22. The Department of Economic and Social Affairs has been involved in the provision of assistance to the occupied Palestinian territory since 1995, when five project documents were formulated in the area of public finance and business development. One of the projects, on strengthening audit capabilities, has been carried out, while the remaining ones await funding.

Economic and Social Commission for Western Asia

23. The Economic and Social Commission for Western Asia (ESCWA) has focused its activities on supporting and monitoring the economic and social sectors in the occupied Palestinian territory. ESCWA provides the Economic and Social Council with an annual report on the economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people and the Arab population of the occupied Syrian Golan. This report covers a variety of issues affecting living conditions, such as the frequency of border closures, increases in housing projects in Israeli settlements, road construction, industrial expansion and the distribution of water resources among the Israeli and Palestinian populations.

24. In the area of housing and urban development, ESCWA participated in a review of urban upgrading activities undertaken by the Welfare Association in January 1999. Proposals focused on economic revitalization programmes, including prospects for youth employment and entrepreneurship. In the area of institution- and capacity-building, ESCWA is implementing a project on development of gender national statistics programmes in the Arab countries, in which the occupied Palestinian territory is one of nine participants. The project will include the establishment of a comprehensive gender statistics database at the Palestinian Central Bureau of Statistics and a gender unit. ESCWA is also providing the Ministry of Social Affairs with assistance in reviewing progress towards the implementation of recommendations from the Fourth World Conference on Women. Moreover, ESCWA has been monitoring developments in the agricultural sector through two recent studies, "Evaluation of agricultural policies in the Palestinian territories" and a proposal for a general "Framework for an agriculture development policy in the Palestinian territories", to address the rehabilitation of agricultural cooperatives and the design of a development strategy in the agriculture sector.

International Atomic Energy Agency

25. At its thirty-eighth General Conference, the International Atomic Energy Agency (IAEA) decided to identify potential technical assistance projects that could be implemented in the occupied Palestinian territory through appropriate international organizations. Pursuant to this decision, the IAEA Board of Governors approved two projects which are being implemented through the International Centre for Theoretical Physics, in Trieste, Italy. In addition, the Agency has received two project proposals for support during the 1999–2000 technical cooperation programme. The "Radiation protection infrastructure" project aims to provide support for the formulation of a policy and legal framework and the establishment of a radiation protection and safety infrastructure under the jurisdiction of the Palestinian Authority. The project on the "Area-wide application of the sterile insect technique for medfly control" was formulated at the request of the Ministry of Agriculture. Medfly control is a region-wide problem and the new project will be carried out in conjunction with two ongoing projects under way in Jordan and Israel. To establish a coordination mechanism, representatives from Israel, Jordan and the Palestinian Authority met at IAEA headquarters in Vienna in October 1998, resulting in a joint communiqué in which the parties expressed their intention to cooperate in the implementation of Agency-supported activities related to the sterile insect technique in the region. In addition, a third proposal on human resources development was initiated as an extension of current activities. IAEA also provided various Palestinian professionals with training, fellowships and financial assistance to attend international meetings and efforts are under way to identify further projects in the occupied Palestinian territory.

International Civil Aviation Organization

26. The International Civil Aviation Organization (ICAO) has initiated several missions to Gaza and has formulated three project proposals for technical assistance to the Palestinian Civil Aviation Authority, which are still awaiting funding.

International Fund for Agricultural Development

27. The International Fund for Agricultural Development (IFAD) is currently supporting 16 micro-projects in the occupied Palestinian territory under its Relief and Development Programme. The aim of the Relief and Development Programme is to promote and support small-scale farmers and fishermen through credit; to establish centres to support micro-enterprises for women and the landless; to rehabilitate small-scale irrigation schemes and equipment; to provide extension services to promote the cultivation of new high market-value crops; and to extend loans to fishermen. Until 1998, the Palestinian Authority was not eligible for loans under the Fund's lending criteria but IFAD contributed to the Relief and Development Programme through the Palestinian Economic Council for Development and Reconstruction and other partners, under a provision that enables IFAD to allocate grants to research institutions and non-governmental organizations. As of August 1998, loans in excess of $3.5 million have benefited numerous farming, fishing and women's enterprises; a women's business service centre was established in the Gaza Strip to encourage and train women entrepreneurs; the 50-year old Ein El Sultan open-canal irrigation system was upgraded and a water users' association was set up to assume responsibility for the scheme; and extension services have led to the diversification of the crop mix. At its twenty-first session, in February 1998, the Governing Council of IFAD adopted a resolution by which loans are now being extended to the Palestinian Authority. The Participatory Natural Resource Management Programme, approved by the Executive Board of IFAD in April 1998, will benefit some 3,600 smallholder families in the West Bank over five years to plan and implement natural resource development schemes for land and water, and provide the rural credit required for income-generating enterprises. IFAD will also ensure that women-headed households are targeted by the programme as a matter of first priority.

International Labour Organization

28. Since 1994, the International Labour Organization (ILO) has been developing a technical assistance programme for the occupied Palestinian territory, its largest programme in the Arab region. During the period under review, ILO implemented the following projects: the establishment of a vocational rehabilitation centre; a programme for the rehabilitation and reintegration of ex-detainees; the training of contractors; an integrated small enterprise promotion at the Palestinian Chamber of Commerce; the Palestinian Employment Programme; and the establishment of a model production workshop to manufacture wheelchairs. With its own financial resources, ILO also carried out a programme to strengthen the Ministry of Labour and fielded a project formulation mission on employment generation in the tourism sector and technical advisory missions on the labour code. These programmes covered employment promotion, small enterprise development, vocational rehabilitation, labour administration, social security and women workers. ILO assistance contributed to improvements in expertise and skills through staff training, institution-building through the provision of equipment and to the establishment of appropriate strategies and action programmes. Assistance in the above areas needs to be further enhanced, and activities need to be launched in the fields of occupational safety and health, vocational training and social security. ILO has formulated a number of project proposals for the second phase of ongoing projects in addition to new projects in the fields of occupational safety and health, hotel and tourism, social security and women. In addition, a mission will be fielded shortly to assess the achievements of the ILO technical cooperation programme to date, and to identify needs for future assistance.

International Maritime Organization

29. An International Maritime Organization (IMO) needs assessment mission visited Gaza in December 1997 to identify specific areas in which the Palestinian Authority could benefit from IMO technical assistance. Two projects were formulated for the establishment of maritime administration and the development of human resources for this sector. IMO has begun to implement those components of the projects which it can finance from its own budget and is seeking donors to finance the balance.

International Trade Centre

30. In May 1996, the International Trade Centre (ITC) began implementing a technical cooperation project for the export of high-value, fresh-cut flowers from the occupied Palestinian territory. ITC has assisted Palestinian growers and exporters in on-farm production and cold-storage techniques; post-harvest handling and quality control; export market development and marketing; trade information services; and the production of the first catalogue of Palestinian fresh-cut flowers. An evaluation in 1998

concluded that the project had achieved significant commercial and political success, endorsed by international acceptance of Palestinian export documentation. In addition, the principle of direct marketing by Palestinian growers, a prime object of the project, was achieved, the situation of Palestinian exporters was strengthened with regard to Israeli agricultural export and marketing organizations and problems related to delays, inspections and damage to products and packaging at border posts were reduced significantly.

31. In late 1998, ITC also invited the Palestinian Trade Centre to prepare a supply survey on processed foods and agricultural products in the occupied Palestinian territory, for the Pan-Arab Buyers-Sellers Meeting in Abu Dhabi in February 1999, at which Palestinian companies concluded a number of agreements with their Arab counterparts. The Palestinian Trade Centre was invited in early 1999 to prepare a demand survey on metal and related products for a similar meeting in Cairo in May 1999. Based on the two surveys and on the previous work of ITC, various priority areas for technical cooperation have been identified and, as a follow-up, ITC has been invited by the Ministry of Economy and Trade to assess the needs and potential of the Palestinian business community, to be followed by the formulation of a technical cooperation project.

International Telecommunication Union

32. During the reporting period, the International Telecommunication Union (ITU) conducted a number of missions in the occupied Palestinian territory, for the implementation of assistance in telecommunications development. A senior expert in telecommunications was seconded to the Ministry of Post and Telecommunications and a mission provided advice on setting up a mission control department in the Ministry. In addition, fellowships were granted to Palestinian professionals to participate in training courses, regional workshops and ITU international activities, and assistance was also extended to the Palestinian News Agency.

United Nations Centre for Human Settlements

33. The United Nations Centre for Human Settlements (Habitat) has recently prepared two proposals, "Preparatory assistance project for environmental planning and management support to Gaza city" and "Low-cost housing specifications and guidelines" which await funding. In addition, Habitat, in conjunction with Bir Zeit University, has carried out a case study focusing on the issue of gender in urban management and development. A meeting was held in Cairo in January 1999 to compare the lessons learned from the Palestinian and Egyptian case studies and to devise a strategy for gender mainstreaming in the region. In addition, Habitat's Housing and Urban Development Corporation will organize a consultation on poverty reduction in cooperation with the Palestinian Authority towards the end of 1999.

Office of the United Nations High Commissioner for Human Rights

34. The Office of the United Nations High Commissioner for Human Rights (UNHCHR), through its office in Gaza, concentrates on three interrelated components: the establishment of a legal framework; the development of an official policy on human rights; and the strengthening of national institutions.

35. To help establish a legal framework, UNHCHR has provided the Ministry of Justice, the Palestinian Legislative Council and the Palestinian Bar Association, with advisory services as well as training for Bar members on human rights and organizational development. UNHCHR has also provided technical and financial assistance to women's rights organizations, the Palestinian Independent Commission for Citizens' Rights, Bir Zeit University Institute of Law and the Palestinian Association for Legal Sciences to conduct legal research and workshops. UNHCHR technical advice and grants have been directed to building capacity for legal research and drafting skills, and UNHCHR will continue to assist the Palestinian Authority in the unification of West Bank and Gaza laws, focusing on the human rights dimension of legislation. To assist in the development of an official policy on human rights, UNHCHR has held consultations with the Palestinian Authority and non-governmental organizations on the forthcoming Palestinian national plan of action for human rights and has developed a working paper on the appropriate methodologies, working groups and terms of reference for consultants.

36. Institutional strengthening is the largest component of UNHCHR's programme with the Palestinian Authority, and UNHCHR has provided courses, documentation and materials for Palestinian Police Force commanders, officers and trainers as well as for non-governmental organizations. Within the Palestinian Police Force, UNHCHR has established a cadre of qualified human rights and law

enforcement peer trainers and intends to work further with such trainers, through advanced training fellowships and technical assistance, to develop an institutionalized code of conduct and standing orders consistent with international human rights standards.

United Nations Conference on Trade and Development

37. Following the endorsement of the United Nations Conference on Trade and Development (UNCTAD) "Programme of technical cooperation activities in support of Palestinian Trade, finance and related services", the Palestinian Authority requested UNCTAD to extend technical assistance in specific priority areas. UNCTAD has since fielded some 20 advisory missions and prepared summary project proposals, all of which have been endorsed by the relevant ministries. There has been increasing emphasis on operational activities to provide concrete assistance with a view to strengthening the Palestinian private sector. Recent activities have included a feasibility study for an industrial estate in Nablus; promoting cooperation between the Palestinian Authority and Jordan; training programmes in international commercial diplomacy; strengthening trade efficiency; and guidelines for human resource development in trade (TRAINFORTRADE) and for sustained development of the Palestinian economy. UNCTAD has also completed two studies on issues that confront the Palestinian economy entitled "Palestinian merchandise trade in the 1990: opportunities and challenges" and "The Palestinian economy and prospects for regional cooperation".

38. Specific needs have been identified in a range of areas, which UNCTAD has already begun, to or intends to address, and a number of specific project proposals have been prepared. These include: regional and multilateral trade policy; trade-related services and facilitation; international commodity trading; customs administration and trade-related data; multi-modal transport and port operations; public debt management; domestic insurance sector reform; investment promotion framework; and enterprise and technology development. Further consolidation of UNCTAD's capacities will be sought in cooperation with other agencies, to enhance synergies, avoid duplication and coordinate related activities, and to assist in integrating the occupied Palestinian territory into the regional and global economy.

United Nations International Drug Control Programme

39. The United Nations International Drug Control Programme (UNDCP) focuses on a multisectoral approach to coordinating and integrating drug control policies into the broader developmental policies of the occupied Palestinian territory. To enhance the drug enforcement and interdiction capacity of existing Palestinian drug law enforcement agencies, UNDCP has supplied the Palestinian Anti-Narcotics Administration with a computer network, a forensic laboratory and training for personnel in anti-narcotics operations. This has resulted in an improvement in performance and increased cooperation between the Palestinian and Egyptian anti-narcotics administrations. UNDCP, in cooperation with the UNSCO Legal Adviser, has also assisted the Palestinian Authority to establish a legal and institutional framework for drug control and to consider modalities for implementing the provisions of the United Nations drug control Conventions. UNDCP is also assisting with capacity-building for personnel from the Ministries of Health and Social Affairs to provide counselling, treatment and rehabilitation services. An international demand reduction consultant conducted an assessment for such services in December 1998, and training workshops were scheduled for health and social workers in Gaza in May 1999. To provide additional technical resources to the ANA and improve cross border cooperation with neighbouring countries, a UNDCP subregional technical cooperation programme has been proposed and the first technical meeting between Jordan, Egypt, Israel and the Palestinian Authority was held in Amman, in February 1999. In addition, to assist the Ministry of Health in ensuring more effective control over the distribution of licit drugs, UNDCP will assess the inspection capabilities and training needs of the Ministry to develop an effective inspection and control system.

United Nations Development Programme

40. During the reporting period, the UNDP Programme of Assistance to the Palestinian People (UNDP/PAPP) expanded its support in the area of infrastructure. In 1998, UNDP project expenditures exceeded $37 million. Youth centres and women's activity centres in the West Bank are being rehabilitated and a cultural centre constructed, projects which utilize labour-intensive methods to help alleviate unemployment. Other ongoing infrastructure projects include the rehabilitation and construction of schools, a hospital, water systems and roads. UNDP received an emergency

contribution from the Government of Japan to support projects intended to facilitate the implementation of the Wye River Memorandum. The projects will rehabilitate and construct crossing facilities to support the movement of persons and commercial goods in and out of the Gaza Strip. Technical assistance, training and infrastructure support is also being provided to enhance the operation of the Gaza International Airport and to develop the capacity of Palestinian Authority ministries operating at border crossings. Responding to the urgent need of Palestinian Authority institutions to formulate plans and policies aimed at alleviating poverty, UNDP, through its Sustainable Human Development Unit, supported the preparation of the first Palestinian poverty report. As a follow-up to the Poverty Report, a Palestinian poverty eradication plan will be developed and submitted to the Palestinian Legislative Council and to the Cabinet.

41. In the area of gender, UNDP, working in close cooperation with the Inter-ministerial Committee for the Advancement of Women, initiated a pilot project to develop a Rural Girls Development Centre. The Centre provides training in marketable skills and helps to develop awareness of social, political, legal and economic issues that influence women's lives. The Ministry of Health and the Ministry of Agriculture have created a special curriculum and have provided the required training to enable the young women to become community health workers or agricultural extension workers. UNDP has also initiated a project to establish women's units within ministries to advocate gender equality and is supporting the establishment of a Gender Statistics Unit at the Palestinian Central Bureau of Statistics. The Sustainable Human Development Unit has also developed a project to assist educational organizations to elaborate gender-sensitive curricula addressing the special needs of both girls and boys.

42. Through its Public Administration Support Programme, UNDP has continued support for training to build the auditing capacity of the General Control Institute and the Ministry of Finance; to enhance coordination among ministries through support to the Cabinet Office; to provide training and technical assistance in the area of public sector management; and to support training and technical assistance in line ministries. In the area of governance, UNDP also provided support to the Palestinian Legislative Council to encourage the development of democratic, transparent and accountable practices.

43. Through its "Transfer of Knowledge Through Expatriate Nationals" (TOKTEN) programme, UNDP has recruited over 150 highly skilled expatriate Palestinian professionals to serve as short-term advisers. Through the use of core resources and the TOKTEN modality, UNDP has continued to provide the Palestinian Authority with critical support in its efforts to produce the Palestinian Development Plan 1999–2003, focusing during the reporting year on expanding the participatory nature of the PDP preparation process to include government officials, the public and marginalized groups. UNDP is also continuing its United Nations Volunteers (UNV) programme. A new UNV project with a strong gender focus, "Empowering young women in underprivileged Palestinian areas", seeks to foster the social development of school girls from rural and underprivileged areas of the West Bank and builds upon the national UNV scheme that was launched in 1996. UNDP is also placing UNVs in universities, municipalities, non-governmental organizations, the Ministry of Tourism and Antiquities and the National Conservatory of Music. The UNV White Helmets Initiative is involved in producing detailed urban plans for the municipalities of Gaza, Khan Younis and Rafah and the project has also been extended to Bethlehem. White Helmet specialists are also cooperating with the Palestinian Red Crescent Society to train a disaster preparedness team and prepare the way towards a national disaster plan.

44. UNDP is also continuing its active support for rural and economic development, environmental protection and agricultural production. The reclamation of degraded rangelands has resulted in the rehabilitation of agricultural land, and generated work for thousands of unemployed Palestinians. UNDP is working with the Ministry of Agriculture to develop its capacity in policy analysis and planning, and to develop agricultural research and extension services. UNDP has also expanded the Local Rural Development Programme to improve the living standard of people in rural areas, and to promote local economic development and employment generation. The programme also aims to strengthen the capacity of local authorities and to develop the ability of the Ministry of Local Government to provide villages and micro-regions with technical assistance. The restoration of archaeological and historic sites in the Bethlehem area forms part of a broader UNDP effort to support tourism development for "Bethlehem 2000". In cooperation with the Global Environment Facility, UNDP is implementing projects that will promote energy efficiency and develop a biodiversity strategy and action plan.

45. The UNDP programme of activities responds directly to the development priorities identified in the Palestinian Development Plan, as well as civil society institutions, and all projects are undertaken in close cooperation with the relevant ministries. The overall strategy is based on using limited UNDP core resources to launch capacity-building programmes that are subsequently sustained through

bilateral donor support, and ensuring the sustainability of capacity-building programmes by matching UNDP technical and managerial expertise with the accountability and viability of local implementation partners. UNDP also works closely with the Office of the Special Coordinator and with other United Nations organizations, and plays an active role in the donor coordination mechanisms, providing administrative and logistical support to 14 United Nations agencies working in the occupied Palestinian territory.

United Nations Educational, Scientific and Cultural Organization

46. The United Nations Educational, Scientific and Cultural Organization (UNESCO) has been undertaking a programme of cooperation with the Palestinian people since 1974. In April 1994, a plan of action was prepared by the joint UNESCO/Palestinian Coordination Committee, which was translated into the Programme of Assistance to the Palestinian People (PAPP), containing 27 projects. The second phase of PAPP, entitled "Development for peace" and composed of 12 new projects, was agreed upon in May 1997 and a UNESCO liaison office was opened in the West Bank the same month.

47. A Special Donors' Conference for Bethlehem 2000 was held in Brussels in May 1998. Of the $25 million committed by the World Bank to Bethlehem 2000, $1.2 million will go towards three UNESCO projects: a feasibility study on the different options for preserving Palestinian cultural heritage; a culture and heritage legislation project; and the preparation of an action plan for Hebron and Jericho. The World Bank has also agreed to finance a cultural film on Bethlehem to be produced under the auspices of UNESCO, and the Bethlehem 2000 roving exhibition continued its tour of European cities. In addition, an agreement was signed between Verona, Italy and Bethlehem to develop friendly relations and cultural exchanges, and experts from Verona are preparing a project document for the creation of a Museum of the Nativity in Bethlehem. Italy is also funding two conservation projects in Hisham's Palace in Jericho and Norwegian funding is being used to train Palestinian specialists in the conservation and restoration of cultural heritage.

48. Within the framework of continuing technical support to the capacity-building of the Ministries of Education and Higher Education, UNESCO supported the establishment of a Directorate of Scientific Research; a conference on information technology in higher education; an expert in the area of special educational needs; a report on "Education for All 2000" and a students' guide to Palestinian higher educational institutions. Through its regular programme, UNESCO has also continued financial and technical support to the UNRWA Department of Education and has supported activities in early childhood learning, distance education and the development of the history curriculum in Jerusalem schools in addition to sponsoring Palestinian participants at various international conferences and workshops. Within the framework of the project entitled "Reaching the unreached/education for children in need", cooperation continued with Gazan non-governmental organizations. Projects for the rehabilitation and provision of furniture and teaching materials for 17 schools in the West Bank commenced in March 1999, financed by the Government of Saudi Arabia. Saudi Arabia has also agreed to fund, through UNESCO, a hotel management school at the University of Al Azhar in Gaza and an institute for archaeological and architectural conservation at Al-Quds University, East Jerusalem. UNESCO will also donate 120,000 books to the eight Palestinian universities and various municipalities, as well as French textbooks to schools.

49. UNESCO also continued support to its multipurpose community resource centres in Gaza and Nablus, which have initiated vocational training courses in languages, tourism, computer science and civic awareness campaigns. A three-year project on capacity-building in water resources was launched in March 1998 at the Water Research Centre of Al Azhar University and two experts visited Nablus to provide advice on technology transfer for urban drainage. As part of UNESCO support to the Palestinian News Agency project, a UNESCO mission identified the equipment and training needs of the Agency and technical assistance is also being extended to the Palestinian Broadcasting Corporation and to the Ministry of Culture. Finally, through the network of the UNITWIN project for twinning universities, UNESCO has supported publication of the "Journal of Involuntary Migration" and the convening of a conference on the subject in Jerusalem in December 1998.

United Nations Population Fund

50. Since 1998, United Nations Population Fund (UNFPA) support, which totalled $7.2 million for the period 1996–1999, has been provided through the Programme of Assistance to the Palestinian People. Programme activities fall within the three core areas of UNFPA assistance, namely reproductive health, including family planning and sexual health; population and development strategies; and advocacy. The programme is being implemented by relevant

Palestinian Authority institutions and local non-governmental organizations. Through the programme, UNFPA has aimed at capacity-building in Palestinian institutions and provision of technical assistance and transfer of know-how through the advisers of the UNFPA Country Support Team in Amman; concentrating assistance on poor, densely populated and under-served areas; promoting partnership between Palestinian Authority and local non-governmental organizations; and ensuring complementarity with activities supported by other United Nations agencies and relevant donors.

51. The Reproductive Health Programme assists the Palestinian Authority in achieving the goals of its Health Plan by helping to build local institutional capabilities for the provision of such care. At the policy level, UNFPA assisted in the development of the infrastructure and human resources as well as technical capabilities of the Women's Health and Development Department of the Ministry of Health. At the service delivery level, UNFPA assisted in the establishment of a women's centre for reproductive health care, social assistance, legal and psychological counselling and community education at Burej refugee camp, Gaza, which served some 13,000 refugee women in 1998 and is supporting the establishment of a similar centre in the Jabalia refugee camp, Gaza. In the West Bank town of Jenin, UNFPA supports community-based outreach activities for reproductive health services and information, education and communication for both men and women. The project recruited about 6,000 new users of contraceptives, introduced reproductive health/family planning services in 20 clinics and laid the ground for the integration of quality reproductive health/family planning services in 58 primary health care clinics. A reproductive health strategy and master plan is being prepared to help the Ministry of Health coordinate donor inputs.

52. UNFPA contributes to the development of indicators to measure progress achieved in implementation of the relevant programmes of action of global conferences. UNFPA has also assisted the Palestinian Authority in the development of a project on analysis and dissemination of the data and on training for its effective utilization. In addition, with assistance from UNFPA, an advocacy task force was established and an advocacy strategy is being developed to create a positive environment for population and reproductive health programmes and to raise awareness of gender issues among policy makers, planners and media professionals. UNFPA helped to develop a source book on population and reproductive health for adult education, train 100 educators on effective communication of reproductive health concepts to students and train 100 youth educators to be peer counsellors.

53. As regards future assistance, a mid-term review of the Programme of Assistance to the Palestinian People in early 1999 concluded that its objectives, strategies and activities were still valid, realistic and achievable in the context of the Palestinian Health Plan (1995–1999) and the Programme of Action of the International Conference on Population and Development, and it has contributed to enhancing the capabilities of the Palestinian Authority and non-governmental organizations. It recommended that female gynaecologists and midwives be trained to improve access to reproductive health services; access be improved to adolescent reproductive health services; there should be further strengthening of local institutions in the planning, management and coordination of reproductive health; mechanisms should be developed for the long-term sustainability and cost recovery of reproductive health services; and the development of a master plan should be expedited for the coordination of reproductive health inputs from donors. The mid-term review also recommended the extension of the programme for one year, with an additional allocation of almost $1 million to respond to the needs cited above. In addition, it is proposed that a women's centre similar to those in Burej and Jabalia be established in Jericho.

United Nations Children's Fund

54. The United Nations Children's Fund (UNICEF) — Palestinian Authority Master Plan of Operations for Palestinian Children and Women 1998–2000 is made up of three integrated programmes: health and nutrition; basic education; and advocacy and capacity-building. The Plan aims to promote the needs of Palestinian children and women, as outlined in the guiding instruments: the Declaration and Plan of Action of the World Summit for Children, the Convention on the Rights of the Child and the Convention on the Elimination of all Forms of Discrimination Against Women. During 1998, UNICEF contributed $1.8 million to the above programmes, through the provision of technical assistance, and supplies for capacity-building of Palestinian governmental and non-governmental institutions, and advocacy and social mobilization activities.

55. In its health and nutrition programme, UNICEF supported the training of trainers in various health disciplines; upgraded the training capacity and resource centres of local universities and training institutes; assisted

in the standardization of procedures and protocols for the management of common diseases and disorders; arranged networking visits and participation in regional and global activities for Palestinian health professionals; increased the capability of health professionals on disease surveillance and control; enhanced community awareness through the production and dissemination of health education; supported the rights, needs and health of young persons and school children; and piloted a referral and health information system.

56. In the Basic Education Programme, training and study visits for relevant staff were conducted with various ministries and non-governmental organizations. Technical assistance was also provided for global education, developing better parenting messages and training on the Convention on the Rights of the Child. In addition, a manual on better parenting was prepared for community education and was discussed at a symposium conducted by the Ministry of Social Affairs. A national campaign for community education was also conducted, in which issues such as gender, children in difficult circumstances, child labour and children with special needs were addressed. Another campaign, using theatre to introduce the Convention on the Rights of the child, with special emphasis on gender equality and the integration of children with special needs, toured different primary schools. Finally, a magazine dealing with the needs and rights of children was produced by the Ministry of Social Affairs, with technical and financial assistance from UNICEF.

57. In the Advocacy and Capacity-building Programme, training activities were conducted for a large number of social workers and media professionals on children's issues, using a rights-based approach to programming. Field study visits, research and evaluation activities were also conducted. National policies on foster parents are being devised, and a round table discussion on child labour was carried out using the UNICEF child labour report. Advocacy activities with policy makers, professionals and media persons were also carried out, aiming at increasing the awareness and ensuring their continued commitment towards achieving the rights of Palestinian children and women. In addition, community awareness campaigns aimed at increasing awareness at all levels of society, with special emphasis on children, were carried out.

58. Several key needs remain to be addressed, especially those related to children with special needs. The high population growth rate demonstrates the importance of focusing on the rights and the needs of youth and adolescents, especially their right to participate in the development process. Awareness of the Convention on the Rights of the Child and the Committee on the Elimination of Discrimination against Women is low, overall social development planning and rights-based programming is inadequate and more attention should be directed to community empowerment. The quality and relevance of formal and non-formal education requires continued UNICEF support, as do major women's health issues such as breast-feeding promotion, early marriages and the high birth rate. These needs form key areas of attention in the UNICEF 1999 plan of action, developed within the framework of the three-year Master Plan of Operations.

United Nations Development Fund for Women

59. The United Nations Development Fund for Women (UNIFEM) continues to provide technical and financial support towards strengthening women's economic capacity as entrepreneurs and producers; engendering governance and leadership that increase women's participation in the decision-making process; promoting women's human rights to eliminate all forms of violence against women; and transforming development into a more peaceful, equitable and sustainable process. The UNIFEM economic empowerment programme aims to strengthen women's economic capacity, especially in the context of the new trade agenda and the emergence of new technologies. The project entitled Development of women's entrepreneurship and leadership in Gaza, in partnership with the Ministry of Social Affairs and local non-governmental organizations, has been supporting the establishment of three social development centres. In addition, workshops and training were organized on the various aspects of starting and running a business for women, and gender planning and analysis courses were conducted for the directors of social centres and the heads of departments.

60. As part of the UNIFEM governance programme, the Women in development facilitation initiative project in Western Asia was set up. This project analyses women in development and gender and development trends across development sectors. The women in development/gender and development projects of some 22 local non-governmental organizations have been surveyed in developing a regional database software and the fourth edition of the "Beyond Beijing" newsletter was produced, focusing on the Gaza Strip and the issue of women's health. The women in development facilitation initiative continues to serve as the secretariat of the local gender task force, which brings together all the United Nations agencies in the occupied

Palestinian territory involved in women's programmes. UNIFEM also subcontracted the Bir Zeit Women's Studies Centre to assist the Palestinian Legislative Council in setting up a specialized resource centre on gender issues and women and laws.

61. As part of the Human Rights Programme, a regional campaign to eliminate violence against women aims to raise public awareness of the problem. A play addressing the issue of domestic violence in the Palestinian context was performed, and the campaign also included radio, television and newspaper reports. UNIFEM also supported a newly established non-governmental organization active in legal advocacy for women's rights, and the Trust Fund project, "Legal victimization of women in the Arab world" proposes to conduct a study on the issue of honour killings.

United Nations Institute for Training and Research

62. The United Nations Institute for Training and Research (UNITAR) conducted 14 workshops in 1998 for the Palestinian Authority, in the fields of financial management and auditing, management development and geographic information systems. In cooperation with UNDP, UNITAR is continuing training programmes in financial management and auditing for mid-level and senior managers, and is also developing a programme in commercial diplomacy, in conjunction with UNDP and UNCTAD, for staff at all levels in the Ministry of Economy and Trade. Training of trainers workshops are also planned in order to make the Palestinian Authority self-sufficient in meeting its training needs.

United Nations Relief and Works Agency for Palestine Refugees in the Near East

63. The total number of refugees in the occupied Palestinian territory served by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) numbered 1,348,438, of whom 578,744 live in 27 refugee camps. UNRWA operates or sponsors 389 facilities and employs 9,792 staff, over 99 per cent of whom are locally recruited Palestinians. The operational character of UNRWA activities differs from that of other United Nations organizations, which for the most part work through the Palestinian Authority or local executing agencies.

64. In the education sector, the 266 UNRWA elementary and preparatory schools accommodated 211,836 pupils in the 1998–1999 school year, an increase of 10,950 over the previous year. Despite progress in construction and upgrading, lack of funds and sites meant that many schools had to be accommodated in unsatisfactory rented premises, suffered from overcrowding, or were in need of maintenance. To accommodate additional refugee pupils, the Agency continued to rely on contract teachers. Owing to funding shortfalls, UNRWA remained unable to extend the basic education cycle in the West Bank from 9 to 10 years to maintain conformity with the Palestinian Authority education system. The Agency's four vocational and technical training centres provided 2,012 trainees with a variety of programmes. In addition to regular in-service staff training programmes, the Educational Sciences Faculty at the Ramallah training centres offered pre-service teacher training leading to a first university degree for 600 trainees and university scholarships were awarded to 346 Palestine refugee students. The UNRWA 1998 education budget in the occupied Palestinian territory was $78.9 million, although estimated annual expenditure was only $67.4 million, owing to austerity and other cost reduction measures.

65. In the health sector, UNRWA operated 51 health facilities that provided comprehensive primary health care and handled 3.5 million patient visits in 1998. Rehabilitation services were provided through 12 physiotherapy clinics. Secondary care was made available to refugee patients through a combination of contractual agreements with non-governmental and private hospitals and partial reimbursement of treatment costs, and directly at the Agency's 43-bed hospital in Qalqilia in the West Bank. In addition to several projects to extend or improve internal sewerage in camps, environmental health services included sewage disposal, management of storm-water runoff, provision of safe drinking water, collection and disposal of refuse and control of insect and rodent infestation. Work continued on the 232-bed European Gaza Hospital which, upon completion, will be handed over to the Palestinian Authority. An affiliated Gaza College of Nursing was taken over by the Ministry of Health in August 1998 and will help to provide qualified staff for the hospital. In October 1997, the Palestinian Authority, the European Commission and UNRWA signed a memorandum of understanding establishing a hospital project board and agreeing that an international management team would carry out the pre-commissioning and commissioning of the hospital. The UNRWA 1998 health budget for the occupied Palestinian territory was $27.4 million, although estimated annual expenditure was only $22.1 million, owing to austerity and other cost reduction measures.

66. In the relief and social services sector, the UNRWA special hardship programme provided 96,522 eligible

refugees with direct material and financial assistance, an increase of 2 per cent over the previous year. UNRWA sponsored 25 women's programmes, 17 community rehabilitation and 26 youth activity centres, plus a rehabilitation centre in Gaza for the visually impaired. The UNRWA 1998 relief and social services budget in the occupied Palestinian territory was $13.5 million, although estimated annual expenditure was only $8.5 million, again owing to austerity and other cost reduction measures.

67. UNRWA continued implementation of its Peace Implementation Programme, which seeks to improve infrastructure, create employment and enhance socio-economic conditions for refugees in the Agency's five fields of operation, but there was a marked decline in pledges and contributions as compared with previous years. UNRWA also continued to operate an income-generation programme to create job opportunities and alleviate poverty by making credit available to small businesses and micro-enterprises through revolving loan funds established with project contributions. Established in 1991, the programme had, by 31 December 1998, provided a total of $26.6 million in loans at commercial interest rates to 17,471 enterprises, while achieving repayment rates approaching 100 per cent.

68. The work of UNRWA continued to be affected by the continuing financial crisis that the Agency has faced since 1993 as a result of repeated shortfalls in funding for the regular budget combined with increasing refugee needs. These shortfalls necessitated the introduction of a series of austerity measures to bring expenditure in line with income and to reduce deficit amounts. The Agency was consequently unable to expand services at a rate commensurate with the growth in the registered refugee population, and it experienced a deterioration in the quality of services as a result of overburdened staff and facilities. The Agency was obliged to maintain a series of austerity measures, originally introduced in 1993, which represented a direct reduction in services. These measures included a general recruitment freeze and a freeze in regular budget allocations for shelter rehabilitation, university scholarships and cash assistance to special hardship cases.

The Office of the Special Coordinator in the Occupied Territories

69. In addition to its support, outlined above, to the work of local and international mechanisms, UNSCO continued to coordinate bilateral and multilateral training programmes for the Palestinian Police Force. In 1998, 17 specialized training courses were held for some 300 policemen and officers. The main objectives were to initiate a maintenance and revival strategy to reverse a declining trend in training activities and police projects in general, and to continue support for a transformation of international training efforts into a long-term framework to enable the police to undertake its own training. The need for more specialized training for the Palestinian Police Force was projected to the donor community through the sector working group on police and through the UNSCO general support services to those involved in the police sector. Recently, donor contacts have produced promising initiatives and indicated commitments for police projects in 1999 and thereafter. UNSCO continues to serve as the secretariat for the sector working group on police and provides the Palestinian Police Force and donors with general support and advisory services, facilitates visiting missions and trainers and assists in the monitoring, follow-up and evaluation of courses and training programmes.

70. The Economic and Social Monitoring Unit continued to publish periodic reports on economic and social conditions in the occupied Palestinian territory, in addition to a special report entitled "The economy of the West Bank and Gaza Strip: a retrospective on the 1990s and future challenges". A project to gather data pertaining to private construction activity in the occupied Palestinian territory is nearing completion. The UNSCO Legal Adviser has prepared a new comprehensive assessment of the development of the rule of law in the West Bank and Gaza Strip based on an extensive survey among the Palestinian officials and institutions concerned and international partners. The survey shows that support for this sector has grown and that more than 320 projects are ongoing in this area, with more than $100 million committed. Particular emphasis was given to assisting with the updating of the Palestinian Authority's strategic plan for this domain and to ensuring its consistency with the Palestinian Development Plan. As part of its activities associated with the non-governmental organization sector, UNSCO has published a second, updated edition of its directory of non-governmental organizations in the Gaza Strip and a directory of non-governmental organizations in the West Bank is under print. There are plans to bring out a second revised edition of the directory of non-governmental organizations in donor countries.

World Food Programme

71. The World Food Programme (WFP) provides the occupied Palestinian territory with assistance equivalent to

$17.3 million, in the form of short-term relief interventions and quick action projects. More recently, WFP has provided assistance to the poorest segment of the population as a contribution to the social safety net package of the Ministry of Social Affairs. The current project, initiated in May 1998, envisaged support for 67,000 of the poorest among the Palestinian population in the Gaza Strip and in the rural areas of the West Bank, but the number of beneficiaries had reached 120,000 by the end of 1998. This was due to continuing unemployment, as a result of economic depression and border closures, and the increasing number of people who are experiencing prolonged social hardship and seeking assistance from the Ministry. The Ministry has accordingly expanded beneficiary coverage to include new applicants, in addition to 6,300 beneficiaries targeted through non-governmental organizations for food for work and gender related activities.

72. WFP assistance is also directed to poor farmers and fishermen involved in small-scale pilot projects implemented by the Ministry of Agriculture, to vocational training centres and maternal and child health centres. In addition, 11 non-governmental organizations with short-term operating budgets have received WFP assistance, to enable them to hire and retain the necessary staff as well as volunteers, and to improve their community outreach services. WFP rations are also distributed through the Ministry of Agriculture to 720 small-scale and landless farmers in south Gaza against a token cash payment representing 30 per cent of the market value of the food ration. The funds generated in the first year of the project will be used to support agricultural production and help farmers to adopt new farming patterns suitable for local market requirements. Similar activities are being planned to start in the Jericho area for 800 beneficiary farmers. In addition to in-kind assistance, the WFP direct cash contribution to the project has been used to support capacity-building in the Ministry of Social Affairs, and to upgrade and repair existing storage facilities in Gaza and Khan Younis. WFP food aid has proven an effective means of income transfer for the poorest of the population and has provided a form of food security, which assisted many families in overcoming temporary food supply problems. During the period from May 1998 to March 1999, WFP provided 10,670 metric tons of food commodities valued at $4.75 million. In order to meet the requirements of an increased number of beneficiaries, WFP is considering a revision in its budget for the remaining period of the project.

World Health Organization

73. To ensure effective coordination in the health sector, the World Health Organization (WHO) has continued carrying out its mandate by sharing health data and information with interested donors and organizations. Planning of activities has been carried out jointly with UNDP, UNFPA, UNICEF, the World Bank, the European Commission, and with several non-governmental organizations under the overall coordination of UNSCO.

74. A report on the development priorities of the occupied Palestinian territory, jointly prepared by the Ministry of Health, the World Bank and WHO, has been presented to the international and the Palestinian health communities. The document highlights the problems in developing an effective health system and suggests measures to improve efficiency and sustainability. Following the report, the Special Technical Assistance Programme has focused on the need to rehabilitate primary health care and to strengthen and improve primary health care services. An assessment of the general situation of the public primary health care network is being carried out by WHO with UNDP and World Bank support, and a proposal for a programme of rehabilitation and rationalization is being prepared. The goal is to guarantee sustainable primary health care services in suitable premises throughout the occupied Palestinian territory in an appropriate referral system. The Government of Japan has already made funds available for rehabilitating a large number of primary health care clinics in the West Bank.

75. A programme for the complete rehabilitation of the expanded programme of the immunization cold chain has been finalized. The programme, developed by WHO and executed jointly with UNICEF, has been part of the effort to improve and sustain cost-effective public health activities. In addition, two UNFPA projects aimed at the integration of reproductive health into primary health care services are currently being executed by the Special Technical Assistance Programme. These, *inter alia*, address practical aspects of the delivery of services by improving several key primary health care clinics where comprehensive reproductive health services are provided. The Palestinian Essential Drug Programme is aimed at improving the pharmaceutical sector. The essential drug list for primary health care is almost complete and the essential drug list for hospitals is under preparation. The primary health care list is already in use by the Ministry of Health as the basis for drug procurement. Health professionals have agreed on the need to use the list and to improve the rational use of drugs. The Ministry of Health and a large number of Palestinian health professionals also agree on the urgent need to develop and

use standard Palestinian diagnostic treatment and referral protocols. The awareness raised by the programme has started bearing its first fruits: Ministry of Health expenditure on pharmaceuticals is declining.

76. The human component of the brucellosis control programme is entering its second year of implementation concurrently with the animal component executed by UNDP. Several donors contribute to the animal component, for which WHO provides backstopping and technical advice. Within this framework, training courses were held for key staff of the Ministry of Health and specialized training is taking place in Greece. New policies aimed at controlling the disease were adopted by the Ministry of Health, including compulsory notification of cases of the disease by private practitioners and private laboratories, with free treatment for all patients diagnosed with brucellosis. In addition, a project proposal, within the framework of the International Initiative for the Prevention of Disabilities (IMPACT), has been defined together with UNDP and UNICEF and has been submitted for funding to interested donors, and a teaching assistant has been assigned to Bir Zeit University for support in developing a new diploma course in primary health care. Upon a request from the Ministry of Health, support was provided to selected Palestinians to enhance knowledge in areas where local expertise is lacking, and publications have continued to be provided to the Ministry of Health, to non-governmental organizations and to relevant health institutions. Support has also been provided to United Nations agencies in the procurement and delivery of equipment for health-related projects to the Palestinian Authority.

77. Despite a decrease in public investments by the donor community, the health sector allocation in the Palestinian budget was maintained at around $100 million per year. However, a worrying aspect of the current economic situation which could negatively affect health sector development is that more than 50 per cent of the recurrent budget is spent on salaries and wages. To respond to these and other challenges, the joint WHO/World Bank/Ministry of Health study suggested that the health system should be financially sustainable, that efficiency should be improved through sector-wide initiatives and that the quality of services provided should improve. To achieve this, the donor community might support capacity-building in management, policy formulation and service delivery, which would result in the development of sustainable local institutions and provide financial assistance for those investments that are financially sustainable.

Annex

United Nations entities active in the occupied territories

Department of Economic and Social Affairs
Economic and Social Commission for Western Asia
Food and Agriculture Organization of the United Nations
International Atomic Energy Agency
International Civil Aviation Organization
International Fund for Agricultural Development
International Labour Organization
International Maritime Organization
International Telecommunication Union
International Trade Centre
United Nations Centre for Human Settlements (Habitat)
United Nations Children's Fund
United Nations Conference on Trade and Development
United Nations Development Fund for Women
United Nations Development Programme
United Nations Educational, Scientific and Cultural Organization
United Nations Environment Programme
Office of the United Nations High Commissioner for Human Rights
United Nations Industrial Development Organization
United Nations Institute for Training and Research
United Nations International Drug Control Programme
United Nations Population Fund
United Nations Relief and Works Agency for Palestine Refugees in the Near East
Office of the United Nations Special Coordinator in the Occupied Territories
United Nations Volunteers
Universal Postal Union
World Food Programme
World Health Organization